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Roderick R. McBroom

P.O. Box 1931

Durango, CO 81302

JUN 8 2007

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ARIZONA CORPORATION COMMISSION
HEARING DIVISION

2007 JUN 14 A 11:20

AZ CORP COMMISSION
DOCKET CONTROL

June 8, 2007

VIA E-MAIL & FAX

Arizona Corporation Commission
DOCKETED

JUN 14 2007

Arizona Corporation Commission
Securities Division
1300 West Washington
Phoenix, AZ 85007DOCKETED BY
KK NRRe: Docket No. S-20472A-06-0535, In the matter of the 12 Percent Fund I, LLC, et al.

To Whom It May Concern:

Attached is a Request to Continue Hearing and Objection to Receivership.

This document is for immediate filing and relates to a hearing regarding a receivership scheduled for June 8, 2007 at 1:00pm before the Securities Division of the Arizona Corporation Commission.

We apologize for the late filing. We only learned of the hearing yesterday at 4:39 pm (MDT).

Thank you in advance for your cooperation in bringing this document to the immediate attention of the Commission.

Sincerely,

Roderick R. McBroom

Roderick R. McBroom

enc.

✓ CC: Hearings Division

Post-it® Fax Note	7671	Date	6/8/07	# of pages	5
To	AZ CORP. Comm.	From	McBroom		
Co./Dept.	Hearings Div.	Co.			
Phone #	602-542-4250	Phone #			
Fax #	602-542-4230	Fax #			

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Mike Gleason, Chairman
Kristin Mayes
William Mundell
Jeff Hatch-Miller
Gary Pierce

In the matter of:

THE 12 PERCENT FUND I, LLC (a/k/a
"THE 12% FUND," "12% FUND I" and
"FUND"), an Arizona limited liability
company;

COYOTE GROWTH MANAGEMENT,
LLC, an Arizona limited liability company;

MICHAEL JOSEPH HANNAN (a/k/a
"MICHAEL HANNAN," "MIKE
HANNAN" and MICHAEL J. HANNAN,
II") and JANE DOE HANNAN,
husband and wife; and

SAM AHDOOT (a/k/a "SAM AHDOUT")
And
JANE DOE AHDOOT,
husband and wife;

Respondents.

Docket No. S-20472A-06-0535

**REQUEST OF RODERICK R.
MCBROOM TO CONTINUE
HEARING AND OBJECTION
TO RECEIVERSHIP**

Roderick R. McBroom hereby submits the following Request to Continue Hearing and Objection to Receivership:

1. Roderick R. McBroom ("McBroom") is an investor in Respondent, the 12 Percent Fund I, LLC, (the "12% Fund"), and he currently resides in Durango, Colorado.

I. REQUEST TO CONTINUE HEARING

(Lack of Timely Notice)

2. The first notification that McBroom received of the Hearing regarding the appointment of a Receiver scheduled in this matter for June 8, 2007 at 1:00 pm (MST), was by an e-mail he received at the close of business (4:39 pm MDT) on June 7, 2007.

3. The referenced e-mail informing McBroom of the scheduled Hearing was sent by attorney Charles Berry, who does not represent McBroom.

4. McBroom desires the opportunity to consult with counsel of his choice and to appear at the Hearing to voice his objections regarding the appointment of a receiver in this matter.

5. Due to lack of timely notice, coupled with the fact that he is in Colorado, McBroom is denied the opportunity to appear and be heard by the Commission on this issue.

6. McBroom has not had an opportunity to review the Notice of Hearing issued by the Commission and is without knowledge of the specificity of the matters to be considered, or the manner in which the Hearing was initiated pursuant to A.R.S. § 44-1971.

7. McBroom is hereby requesting that the Hearing presently scheduled for June 8, 2007 be continued for a period of at least 30 days, to allow reasonable notice of the hearing and to allow him time to prepare for the hearing, including retaining counsel should he so desire.

8. A Cease and Desist Order, Docket No. S-20472A-06-0535, (the "Order") was issued by the Commission in this matter against all of the Respondents on August 28, 2006.

9. No prejudice will result from the requested continuance, as the Order was issued approximately 9 months ago and it is believed that this is the first subsequent action undertaken by the Commission since the issuance of its Order on August 28, 2006.

10. McBroom is without knowledge if all of the other investors in the 12% Fund were notified of the Hearing, however notice to all investors in the 12% Fund is entirely feasible since there are only 22 total investors in the 12% Fund (collectively referred to herein as the "Investors").

11. It is entirely reasonable for the Commission to require the Respondents to furnish the names and addresses of all of the Investors to the Commission such that each investor may receive reasonable and timely notice of the rescheduled hearing.

12. After having invested \$millions\$ in the 12% Fund it is hard to imagine a scenario where the Investors are not interested parties in the matter of the whether there is to be a receiver appointed.

13. In the interests of fairness and due process, the Hearing presently scheduled for June 8, 2007 at 1:00 pm (MST) should be continued for a period of at least 30 days to allow for reasonable notice of the hearing date and time.

II. OBJECTION TO RECEIVERSHIP

14. Given the severe disadvantage thrust upon him to pose a last minute objection, McBroom sets forth the following as a preliminary objection to the appointment of a receiver in this matter.

15. The Commission's Order entered on August 28, 2006 included a requirement that Respondents "make restitution pursuant to A.R.S. § 44-2032" (page 11, lines 7 – 9).

16. It is the understanding of McBroom, that to date Respondents have made zero effort toward restitution of the \$millions\$ paid to the Respondents by the Investors.

17. A.R.S. § 44-2032(1)(a) provides as follows:

... If a person fails to comply with an order issued under this paragraph, the superior court in Maricopa county, on application by the commission shall:

(a) Issue an order to show cause (emphasis added) why the person has not complied with the commission's order. On a showing that the person has violated the commission's order, the court may exercise its contempt powers and impose a civil penalty of not more than twenty thousand dollars for each violation as the court considers to be just and proper.

18. Rather than rewarding the recalcitrant behavior of the Respondents by the appointment of a receiver, the proper course would be for the Commission to authorize the filing of an application to the Court for an order that Respondents' show cause why they have failed to comply with the Commission's Order of August 28, 2006 with respect to restitution to the Investors.

19. The Arizona Corporation Commission's Article 3, Rule 14-4-308(C), Rescission and Restitution, sets forth a detailed procedure to be followed by the Respondents when making restitution to the Investors.

20. Among the information required to be furnished by the Respondents pursuant to Rule 14-4-308(C)(2) are:

Financial statements prepared in accordance with R14-4-120, A.R.S. § 44-3159, or other documents relating to the business of the respondent as requested by the Director or the Commission, shall be provided to the Director. If a respondent demonstrates that it cannot obtain audited financial statements without unreasonable effort or expense, then the respondent shall provide to the Director a notarized statement of financial condition

21. It is the understanding of McBroom, that to date Respondents have made zero effort toward compliance with the Commission's rules regarding restitution, including the failure to provide financial statements.

22. Appointment of a receiver would benefit the Respondents by shifting the fees and costs of compliance to the Investors, while rewarding the Respondents for doing absolutely nothing for 9 months to comply with the Commission's Order of August 28, 2006.

23. The Commission should deny the request to authorize the appointment of a receiver, instead the Commission should authorize an application to the Court for an order that Respondents show cause why they have not complied with the Commission's Order of August 28, 2006.

Roderick R. McBroom prays that the Commission grant the relief requested herein.

Dated this 8th day of June, 2007



Roderick R. McBroom